TXC Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2014 and 2013

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2014 (Reviewed) Amount	%	December 31, 2013 (Audited) Amount	%	January 1, 2013 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 1,696,570	13	$ 1,829,536	14	$ 2,040,458	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	966,028	7	445,807	4	144,989	1
Available-for-sale financial assets - current (Notes 4 and 8)	118,220	1	49,414	-	136,150	1
Notes receivable (Notes 4, 5 and 12)	56,905	1	20,521	-	27,881	-
Accounts receivable (Notes 4, 5 and 12)	2,539,968	19	2,636,402	20	2,874,366	21
Receivables from related parties (Notes 4, 5, 12 and 31)	13,391	-	9,416	-	13,765	-
Other receivables (Notes 4 and 12)	55,896	-	81,263	1	62,813	1
Other receivables from related parties (Notes 4 and 31)	887	-	704	-	566	-
Inventories (Notes 4 and 13)	1,786,092	13	1,652,913	13	1,744,272	13
Other prepayments	22,621	-	8,307	-	40,782	-
Prepaid rental (Notes 4 and 17)	2,571	-	2,538	-	2,497	-
Other financial assets - current (Note 11)	120,843	1	24,443	-	91,586	1
Other current assets - other (Note 18)	96,467	1	97,375	1	99,886	1
Total current assets	7,476,459	56	6,858,639	53	7,280,011	54
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	-	-	-	-	80	-
Available-for-sale financial assets - noncurrent (Notes 4 and 8)	44,510	-	44,510	-	54,997	-
Held-to-maturity financial assets (Notes 4, 5 and 9)	47,840	-	47,840	-	47,840	-
Financial assets carried at cost (Notes 4 and 10)	198,245	2	198,245	2	198,245	2
Investments accounted for using equity method (Notes 4 and 14)	67,546	1	61,747	1	48,409	-
Property, plant and equipment (Notes 4 and 15)	5,351,302	40	5,508,064	42	5,553,851	41
Investment properties (Notes 4 and 16)	55,527	-	55,693	1	57,320	1
Deferred income tax assets (Notes 4 and 5)	20,354	-	29,043	-	34,464	-
Prepayment for equipment	31,973	-	12,014	-	160,848	1
Refundable deposits (Notes 4 and 29)	4,614	-	4,384	-	4,187	-
Long-term prepaid rent (Note 17)	116,097	1	115,225	1	115,252	1
Other noncurrent assets (Note 18)	42,824	-	48,126	-	46,833	-
Total noncurrent assets	5,980,832	44	6,124,891	47	6,322,326	46
TOTAL	$ 13,457,291	100	$ 12,983,530	100	$ 13,602,337	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 19)	$ 893,655	7	$ 707,268	5	$ 476,257	3
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	25,274	-	17,329	-	17,592	-
Accounts payable (Note 21)	1,106,073	8	886,627	7	1,457,562	11
Accounts payables to related parties (Notes 21 and 31)	244	-	177	-	343	-
Other payables (Note 22)	466,346	3	594,959	5	481,187	4
Other payables to related parties (Note 31)	1,615	-	1,027	-	594	-
Current tax liabilities (Notes 4 and 26)	74,224	1	67,919	1	76,058	1
Current portion of bonds payable and long-term bank loans (Note 19)	491,410	4	489,415	4	557,013	4
Other current liabilities (Note 22)	40,137	-	46,968	-	48,694	-
Total current liabilities	3,098,978	23	2,811,689	22	3,115,300	23
NONCURRENT LIABILITIES						
Bonds payable (Note 20)	769,480	6	765,337	6	752,675	6
Long-term bank loans (Note 19)	787,500	6	887,500	7	1,337,500	10
Deferred income tax liabilities (Note 4)	128,425	1	130,540	1	124,436	1
Accrued pension cost (Notes 4 and 23)	34,163	-	34,163	-	31,422	-
Guarantee deposits received (Notes 4, 22 and 28)	31,237	-	29,418	-	28,986	-
Total noncurrent liabilities	1,750,805	13	1,846,958	14	2,275,019	17
Total liabilities	4,849,783	36	4,658,647	36	5,390,319	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Capital stock (Note 24)						
Common stock	3,097,570	23	3,097,570	24	3,097,570	23
Capital surplus (Note 24)	1,662,181	12	1,662,181	13	1,662,181	12
Retained earnings (Note 24)						
Appropriated as legal capital reserve	864,348	6	864,348	7	749,459	5
Appropriated as special capital reserve	222,793	2	222,793	2	222,793	2
Unappropriated earnings	2,624,767	20	2,402,655	18	2,480,014	18
Total retained earnings	3,711,908	28	3,489,796	27	3,452,266	25
Other equity (Note 24)						
Exchange differences on translating foreign operations	134,725	1	75,336	-	13,851	-
Unrealized loss on available-for-sale financial assets	1,124	-	-	-	(13,850)	-
Total other equity	135,849	1	75,336	-	1	-
Total equity attributable to owners of the parent	8,607,508	64	8,324,883	64	8,212,018	60
Total equity	8,607,508	64	8,324,883	64	8,212,018	60
TOTAL	$ 13,457,291	100	$ 12,983,530	100	$ 13,602,337	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 5, 2014)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2014		2013	
	Amount	%	Amount	%
SALES (Note 4)	$ 2,165,532	100	$ 2,326,980	100
COST OF GOODS SOLD (Note 25)	(1,656,129)	(76)	(1,805,270)	(78)
GROSS PROFIT	509,403	24	521,710	22
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	(104,625)	(5)	(111,175)	(5)
General and administrative expenses	(90,777)	(4)	(91,725)	(4)
Research and development expenses	(99,845)	(5)	(98,941)	(4)
Total operating expenses	(295,247)	(14)	(301,841)	(13)
INCOME FROM OPERATIONS	214,156	10	219,869	9
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 25)	38,376	2	22,593	1
Other gains and losses (Note 25)	6,965	-	5,435	-
Finance costs (Notes 4 and 25)	(11,431)	-	(10,119)	-
Share of profits of associates and joint venture (Note 14)	4,982	-	1,094	-
Total non-operating income and expenses	38,892	2	19,003	1
INCOME BEFORE INCOME TAX	253,048	12	238,872	10
INCOME TAX EXPENSE (Note 26)	(30,936)	(2)	(29,438)	(1)
NET INCOME	222,112	10	209,434	9
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences arising on translation of foreign operations	59,389	3	111,182	5
Unrealized gain (loss) on available-for-sale financial assets	1,124	-	(745)	-
Other comprehensive income (loss) for the period, net of income tax	60,513	3	110,437	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 282,625	13	$ 319,871	14

(Continued)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2014		2013	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 27)				
From continuing operations				
Basic	$0.72		$0.68	
Diluted	$0.68		$0.64	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 5, 2014) (Concluded)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Parent									
					Retained Earnings			Others		
	Common Stock	Advance Receipts for Common Stock	Certificates on Bond-to-stock Conversion	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for-sale Financial Assets	Total Equity
BALANCE, JANUARY 1, 2013	$ 3,022,423	$ 24,460	$ 50,687	$ 1,616,549	$ 749,459	$ -	$ 2,493,373	$ (97,331)	$ (13,105)	$ 7,846,515
Special capital reserve	-	-	-	-	-	222,793	(222,793)	-	-	-
Equity component of convertible bonds issued by the Company	-	-	-	45,632	-	-	-	-	-	45,632
Net income for the three months ended March 31, 2013	-	-	-	-	-	-	209,434	-	-	209,434
Other comprehensive income for the three months ended March 31, 2013, net of income tax	-	-	-	-	-	-	-	111,182	(745)	110,437
Total comprehensive income for the three months ended March 31, 2013	-	-	-	-	-	-	209,434	111,182	(745)	319,871
Convertible bonds converted to ordinary shares	50,687	-	(50,687)	-	-	-	-	-	-	-
Issue of ordinary shares under employee share options	24,460	(24,460)	-	-	-	-	-	-	-	-
BALANCE, MARCH 31, 2013	$ 3,097,570	$ -	$ -	$ 1,662,181	$ 749,459	$ 222,793	$ 2,480,014	$ 13,851	$ (13,850)	$ 8,212,018
BALANCE, JANUARY 1, 2014	$ 3,097,570	$ -	$ -	$ 1,662,181	$ 864,348	$ 222,793	$ 2,402,655	$ 75,336	$ -	$ 8,324,883
Net income for the three months ended March 31, 2014	-	-	-	-	-	-	222,112	-	-	222,112
Other comprehensive income for the three months ended March 31, 2014, net of income tax	-	-	-	-	-	-	-	59,389	1,124	60,513
Total comprehensive income for the three months ended March 31, 2014	-	-	-	-	-	-	222,112	59,389	1,124	282,625
BALANCE, MARCH 31, 2014	$ 3,097,570	$ -	$ -	$ 1,662,181	$ 864,348	$ 222,793	$ 2,624,767	$ 134,725	$ 1,124	$ 8,607,508

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 5, 2014)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 253,048	$ 238,872
Adjustments for:		
Impairment loss recognized on trade receivables	564	-
Depreciation expense	230,452	209,578
Amortization expense	6,492	6,637
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	13,793	17,151
Interest expense	11,431	10,119
Share of profits of associates and joint venture	(4,982)	(1,094)
Interest income	(5,132)	(3,601)
Impairment loss of financial assets	1,936	-
Loss on valuation of inventories	3,487	1,002
Loss on disposal of property, plant and equipment and intangible assets, net	1,483	1,628
Changes in operating assets and liabilities:		
Increase in notes receivable	(36,572)	(10,661)
Decrease in trade receivables	62,575	579,487
Increase in receivables from related parties	(4,034)	(3,299)
Decrease other receivables	25,506	6,613
Decrease other receivables from related parties	-	16
Increase in inventories	(136,905)	(268,712)
Increase in prepayments	(14,314)	(23,720)
Decrease (increase) in other current financial assets	360	(33,143)
Increase in accounts payable	219,446	42,159
Increase (decrease) in accounts payable to related parties	67	(1,952)
Decrease in other payables	(128,911)	(62,905)
Increase in other payables to related parties	588	582
Decrease in other current liabilities	(6,831)	(21,535)
Cash generated from operations	493,547	683,222
Interest paid	(6,989)	(6,910)
Income taxes paid	(18,059)	(14,621)
Net cash generated by operating activities	468,499	661,691
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of net gain or loss arising on financial assets classified as held for trading recognized originally	(946,249)	(140,855)
Disposal of net gain (loss) arising on financial assets classified as held for trading recognized originally	426,636	(26,911)
Purchase of available-for-sale financial assets	(69,618)	(90,000)
Purchase of held-to-maturity financial assets	-	(47,840)

(Continued)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2014	**2013**
Payments for property, plant and equipment	$ (42,095)	$ (195,604)
Proceeds from disposal or redemption of		
Property, plant and equipment	11,460	13,384
Increase in refundable deposits	(230)	-
Decrease in refundable deposits	-	18
Increase in other financial assets	(96,400)	(91,586)
Increase in other noncurrent assets	-	(7,751)
(Increase) decrease in prepayment for equipment	(19,959)	17,867
Interest received	4,810	3,572
Net cash used in investing activities	(731,645)	(565,706)
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Increase in short-term loans	186,387	133,811
Proceeds from issuance of convertible bonds	-	800,000
Repayment of bonds	-	(556,100)
Proceeds from long-term borrowings	-	400,000
Repayments of long-term borrowings	(100,000)	(527,368)
Guarantee deposits received	1,819	1,095
Net cash generated by financing activities	88,206	251,438
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	41,974	122,288
NET INCREASE IN CASH AND CASH EQUIVALENTS	(132,966)	469,711
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,829,536	1,570,747
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,696,570	$ 2,040,458

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 5, 2014) (Concluded)

1. ORGANIZATION AND OPERATIONS

TXC Corporation (TXC) was incorporated on December 28, 1983 under the Company Law and other related regulations of the Republic of China (ROC).

TXC specializes in five categories of products such as high quality Quartz Unite Crystal, Automotive Crystal, Crystal Oscillator (CXO) Surface Acoustic Wave (SAW) Filter, and Timing Module (TM), and provides complete solution in frequency devices and modules, and design service to fully satisfy various needs of the customers.

On August 26, 2002, TXC's shares began to be traded on the Taiwan Stock Exchange.

The functional currency of the Company is New Taiwan dollars. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company's stocks are listed on the Taiwan Stock Exchange.

In order to ensure investors' rights and interests, the Company had applied to Taiwan Corporate Governance Association for corporate governance assessment certification. The Company has acquired (CG6005 general version of corporate governance assessment and authentication) and (CG6008 advanced version of corporate governance assessment and authentication), on March 23, 2011 and June 27, 2013, respectively. The Company will continue to strengthen corporate governance functions in order to work with international standards and to protect public interests.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Board of Directors and issued on May 5, 2014.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

a. The 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

   Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, the initial application of the above 2013 IFRSs version has not had any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

   IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

2) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

3) Revision to IAS 28 “Investments in Associates and Joint Ventures”

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

4) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

5) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group will apply the above amendments in presenting the consolidated statement of comprehensive income, starting from the year 2015. Items not expected to be reclassified to profit or loss are the actuarial gain (loss) arising from defined benefit plans and share of the actuarial gains (loss) arising from defined benefit plans of associates/joint ventures accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the actuarial gains (loss) arising from defined benefit plans) of associates/joint ventures accounted for using the equity method.

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group was continuingly to assess other possible impacts that the application of the 2013 IFRSs version will have on the Group’s financial position and financial performance, and will disclose these other impacts when the assessment is completed.

b. New IFRSs in issue but not yet endorsed by FSC

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 “Financial Instruments”	Note 3
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	Note 3
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: IASB tentatively decided that an entity should apply IFRS 9 for annual periods beginning on or after January 1, 2018.

The initial application of the above New IFRSs has not had any material impact on the Group’s accounting policies, except for the following:

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of reporting period. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

Recognition and measurement of financial liabilities

As for financial liabilities, the main changes in the classification and measurement relate to the subsequent measurement of financial liabilities designated as at fair value through profit or loss. The amount of change in the fair value of such financial liability attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch in profit or loss, the Group presents all gains or losses on that liability in profit or loss.

2) Amendment to IAS 19: Amendment in 2013

The amended IAS 19 states that if contributions from employees or third parties are not linked to service, these contributions affect the remeasurement of the net defined benefit liability (asset). If the contributions are linked solely to service, the employees' service rendered in that period in which they are paid, these contributions may be recognized as a reduction of service cost in the same period. If the contributions depend on the number of years of service, an entity is required to attribute these contributions to service periods as a reduction of service cost.

3) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

4) IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Group accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

5) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

6) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3, IFRS 13 and IAS 40 "Investment Property" were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2013, except for those described below.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

Subsidiary included in consolidated financial statements

The detail information of the subsidiaries at the end of reporting period was as follows:

Investor	Investee	Business Nature	Percentage of Ownership at March 31, 2014	Percentage of Ownership at December 31, 2013	Percentage of Ownership at March 31, 2013	Note
TXC Corporation	Taiwan Crystal Technology International Limited (TCTI)	Investment holding	100.00	100.00	100.00	a), k)
	TXC Technology, Inc.	Marketing activities	100.00	100.00	100.00	b), k)
	TXC Japan Corporation	Marketing activities	100.00	100.00	100.00	c), k)
	Taiwan Crystal Technology (HK) Limited (TCT-HK)	Investment holding	100.00	100.00	100.00	g), k)
Taiwan Crystal Technology International Limited	Growing Profits Trading Ltd. (GPT)	International trading	100.00	100.00	100.00	d), k)
	TXC (Ningbo) Corporation (NGB)	Manufacture and sales of electronic products	100.00	100.00	100.00	e), k)
TXC (Ningbo) Corporation	TXC (HK) Limited (TXC HK)	International trading	-	100.00	100.00	f), k)
	TXC (Chongqing) Corporation (Chongqing)	Manufacture and sales of electronic products	59.56	56.73	40.00	h), k)
	Chongqing All Sun Company Limited (Chongqing All sun)	Marketing activities	100.00	100.00	100.00	i), k)
	Ningbo Jingyu Company Limited (Ningbo Jingyu)	Purchasing and selling electronic component	100.00	100.00	100.00	j), k)
Taiwan Crystal Technology (HK) Limited	TXC (Chongqing) Corporation (Chongqing)	Manufacture and sales of electronic products	40.44	43.27	60.00	h), k)

a) Taiwan Crystal Technology International Limited was incorporated on December 23, 1998 in Samoa.

b) TXC Technology, Inc. was incorporated on December 1, 2000 in California, U.S.A.

c) TXC Japan Corporation was incorporated on September 13, 2005 in Yokohama, Japan.

d) Growing Profits Limited was incorporated on March 9, 1999 in the British Virgin Islands.

e) TXC (Ningbo) Corporation was incorporated on March 12, 1999 in Ningbo, China.

f) TXC (HK) Limited was incorporated on March 31, 2008 in Hong Kong Special Administrative Region, China.

g) Taiwan Crystal Technology (HK) Limited was incorporated on July 16, 2010 in Hong Kong Special Administrative Region, China.

h) TXC (Chongqing) Corporation was incorporated on October 11, 2010 in Chongqing, China.

i) Chongqing All Sun Corporation was incorporated on February 10, 2011 in Chongqing, China.

j) Ningbo Jingyu Company Limited was incorporated on September 7, 2011 in Ningbo, China.

k) All company are not immaterial subsidiaries, their financial statements have not been review.

c. Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

d. Income taxes

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013, except for those described below.

6. CASH AND CASH EQUIVALENTS

	March 31, 2014	December 31, 2013	March 31, 2013
Cash on hand	$ 1,151	$ 933	$ 1,030
Demand deposits	715,677	1,055,240	958,766
Check accounts	7,788	20,929	13,500
Time deposits	531,902	262,434	155,222
Cash equivalents			
Repurchase agreements collateralized by bonds	440,052	490,000	911,940
	$ 1,696,570	$ 1,829,536	$ 2,040,458

7. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2014	December 31, 2013	March 31, 2013
Financial assets designated as at FVTPL			
Structured deposit (a)	$ 569,477	$ -	$ 144,989
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (b)	-	860	-
Convertible bonds right of redemption (Note 20)	-	-	80
Non-derivative financial assets			
Non-derivative financial assets mutual funds	396,551	444,947	-
	396,551	445,807	80
Financial assets at fair value through profit or loss	$ 966,028	$ 445,807	$ 145,069

(Continued)

	March 31, 2014	December 31, 2013	March 31, 2013
Current	$ 966,028	$ 445,807	$ 144,989
Noncurrent	-	-	80
	$ 966,028	$ 445,807	$ 145,069
Financial liabilities held for trading			
Derivative financial assets (not under hedge accounting)			
Forward exchange contracts (b)	$ 25,274	$ 17,329	$ 17,592

(Concluded)

a. The Group entered into a short-term structured time deposit contract with a bank from January 1, 2014 to March 31, 2014. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The Group designated the entire contract as financial assets at FVTPL on initial recognition.

b. Outstanding forward exchange contracts consisted of the following:

	Currency	Maturity Date	Contract Amount (In Thousands)
March 31, 2014			
Sell	USD/NTD	2014.04.01-2014.06.25	USD19,900/NTD602,398
Knock-out forward	USD/NTD	2014.04.22-2014.06.23	USD4,000/NTD122,150
Sell	USD/JPY	2014.04.03-2014.07.14	USD10,000/JPY1,023,579
Sell	USD/RMB	2014.04.22-2014.12.30	USD21,800/RMB132,759
Sell	USD/RMB	2014.05.19-2014.06.24	USD6,500/RMB39,438
December 31, 2013			
Sell	USD/NTD	2014.01.24-2014.03.03	USD13,000/NTD383,792
Sell	USD/JPY	2014.01.14-2014.03.10	USD17,000/JPY1,733,929
Sell	USD/RMB	2014.01.10-2014.06.26	USD20,100/RMB122,736
March 31, 2013			
Sell	USD/NTD	2013.04.01-2013.06.25	USD36,500/NTD1,075,303
Sell	USD/JPY	2013.04.08-2013.05.07	USD10,000/JPY935,453
Sell	USD/RMB	2013.04.26-2013.08.29	USD18,000/RMB112,684

The Group entered into cross-currency swap contracts during the three months ended March 31, 2014 and 2013 to manage exposures due to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2014	December 31, 2013	March 31, 2013
Current			
Domestic investments			
Mutual funds	$ 118,220	$ 49,414	$ 136,150
Noncurrent			
Domestic investments			
Listed shares	$ 44,510	$ 44,510	$ 54,997

The market value of available-for-sale financial assets has been lower than the book value. As a result, the Group evaluated and recognized an impairment loss of % $1,936 thousand during the period of three months ended March 31, 2014.

9. HELD-TO-MATURITY FINANCIAL ASSETS

	March 31, 2014	December 31, 2013	March 31, 2013
Noncurrent			
Corporate bonds - Chinatrust	$ 47,840	$ 47,840	$ 47,840

In March 2013, the Group bought the denomination of RMB10 thousand and 3-year corporate bonds issued by Chinatrust with a coupon rate of 2.9% and an effective interest rate of 2.9%.

10. FINANCIAL ASSETS MEASURED AT COST

	March 31, 2014	December 31, 2013	March 31, 2013
Noncurrent			
Domestic unlisted common shares	$ 101,000	$ 101,000	$ 101,000
Overseas unlisted common shares	46,478	46,478	46,478
Overseas unlisted preferred shares	50,767	50,767	50,767
	$ 198,245	$ 198,245	$ 198,245

Management believed that the above unlisted equity investments held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of reporting period.

11. OTHER FINANCIAL ASSETS

	March 31, 2014	December 31, 2013	March 31, 2013
Current			
Time deposits with original maturity more than 3 months	$ 120,843	$ 24,443	$ 91,586

The market interest rates of the time deposits with original maturity more than 3 months 3.47%-3.62% and 2.65%-3.04% per annum as of March 31, 2014 and 2013.

12. NOTES, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2014	December 31, 2013	March 31, 2013
Notes receivable			
Notes receivable - operating	$ 57,099	$ 20,527	$ 27,884
Notes receivable - non-operating	-	-	-
Less: Allowance for impairment loss	(194)	(6)	(3)
	$ 56,905	$ 20,521	$ 27,881
Accounts receivable			
Accounts receivable	$ 2,556,599	$ 2,654,332	$ 2,895,448
Accounts receivable - related parties	13,506	9,473	13,876
	2,570,105	2,663,805	2,909,324
Less: Allowance for impairment loss	(16,631)	(17,930)	(21,082)
Less: Allowance for impairment loss - related parties	(115)	(57)	(111)
	$ 2,553,359	$ 2,645,818	$ 2,888,131
Other receivables			
Income tax refund receivable	$ 16,231	$ 25,353	$ 41,867
Equipment payment receivable	15,093	33,469	-
Others	24,572	22,441	20,946
	$ 55,896	$ 81,263	$ 62,813

The Group did not include the balance of receivables that were past due but not impaired.

Movement in the allowance for impairment loss recognized on trade receivables as follow:

	Individual Impairment	Groups Impairment	Total
Balance, beginning of January 1, 2013	$ -	$ 21,114	$ 21,114
Add: Provision for doubtful accounts/ impairment losses recognized on receivables	-	-	-
Deduct: Amounts written off	-	-	-
Currency exchange difference	-	79	79
Balance, end of March 31, 2013	$ -	$ 21,193	$ 21,193
Balance, beginning of January 1, 2014	$ 1,649	$ 16,338	$ 17,987
Add: Provision for doubtful accounts/ impairment losses recognized on receivables	-	376	376
Deduct: Amounts written off	(1,649)	-	(1,649)
Currency exchange difference	-	32	32
Balance, end of March 31, 2014	$ -	$ 16,746	$ 16,746

Movement in the allowance for impairment loss recognized on notes receivable as follow:

	Individual Impairment	Groups Impairment	Total
Balance, beginning of January 1, 2013	$ -	$ 3	$ 3
Add: Provision for doubtful accounts/ impairment losses recognized on receivables	-	-	-
Balance, end of March 31, 2013	$ -	$ 3	$ 3
Balance, beginning of January 1, 2014	$ -	$ 6	$ 6
Add: Provision for doubtful accounts/ impairment losses recognized on receivables	-	188	188
Balance, end of March 31, 2014	$ -	$ 194	$ 194

13. INVENTORIES

	March 31, 2014	December 31, 2013	March 31, 2013
Finished goods	$ 329,245	$ 373,430	$ 327,002
Work in process	310,323	315,908	329,468
Raw materials	267,626	233,073	318,215
Supplies and spare parts	45,735	43,819	52,122
Merchandise	614,324	470,683	504,926
Land to be development	218,839	216,000	212,539
	$ 1,786,092	$ 1,652,913	$ 1,744,272

Prepayment for land purchases is the payment made by Chongqing All Sum to acquire the land use right in Chongqing Gao-Shing District to develop and sell real estate. Chongqing All Sum has acquired real estate certificate issued by Chongqing Association of land and real estate resources during 2013. The land has not been constructed yet as of March 31, 2014.

The cost of inventories recognized as cost of goods sold in January 1 to March 31, 2014 and 2013 included $1,656,129 thousand and $1,805,270 thousand, respectively, which include $3,487 thousand and $1,002 thousand, respectively, due to write-downs of inventories.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2014	December 31, 2013	March 31, 2013
Investments in associates	$ 67,546	$ 61,747	$ 48,409

Investments in Associates

	March 31, 2014	December 31, 2013	March 31, 2013
Unlisted companies			
TSE Technology (Ningbo) Co., Ltd.	$ 67,546	$ 61,747	$ 48,409

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	March 31, 2014	December 31, 2013	March 31, 2013
TSE Technology (Ningbo) Co., Ltd.	23%	23%	23%

The summarized financial information in respect of the Group's associates was set out below:

	March 31, 2014	December 31, 2013	March 31, 2013
Total assets	$ 334,913	$ 331,113	$ 234,855
Total liabilities	$ 73,815	$ 79,487	$ 40,936

	2014	2013
Revenue	$ 114,165	$ 56,712
Net income for the period	$ 21,660	$ 4,761
Other comprehensive income	$ -	$ -

The equity-method investees' financial statements, which had been used to determine the carrying amount of the Group's investments share of profit and other comprehensive income of associates, had not yet been reviewed. The Group believes that any adjustments arising would have had no material effect on the Group's financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2014	December 31, 2013	March 31, 2013
Carrying amounts of each class of			
Freehold land	$ 598,145	$ 598,145	$ 598,145
Land improvements	17	23	42
Buildings	1,782,958	1,805,910	1,640,726
Machinery and equipment	2,912,458	3,026,400	2,977,571
Transportation equipment	4,234	4,758	5,857
Office equipment	53,490	72,828	69,858
Construction in progress	-	-	261,652
	$ 5,351,302	$ 5,508,064	$ 5,553,851

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2013	$ 598,145	$ 151	$ 2,068,029	$ 5,069,798	$ 13,778	$ 188,746	$ 306,248	$ 8,244,895
Additions	-	-	1,565	231,868	-	14,404	35,039	282,876
Disposals	-	-	-	(51,627)	-	(1,236)	-	(52,863)
Effect of foreign currency exchange differences	-	-	17,472	51,426	402	2,612	7,637	79,549
Transfer to investment property	-	-	2,309	-	-	-	-	2,309
Reclassification	-	-	-	4,371	-	(4,371)	-	-
Government grant	-	-	-	-	-	-	(87,272)	(87,272)
Balance at March 31, 2013	$ 598,145	$ 151	$ 2,089,375	$ 5,305,836	$ 14,180	$ 200,155	$ 261,652	$ 8,469,494
Accumulated depreciation and impairment								
Balance at January 1, 2013	$ -	$ 103	$ 415,229	$ 2,153,490	$ 7,511	$ 121,734	$ -	$ 2,698,067
Disposals	-	-	-	(36,720)	-	(1,131)	-	(37,851)
Depreciation expenses	-	6	28,697	171,397	579	8,112	-	208,791
Transfer from investment property	-	-	420	-	-	-	-	420
Effect of foreign currency exchange differences	-	-	4,303	40,098	233	1,582	-	46,216
Balance at March 31, 2013	$ -	$ 109	$ 448,649	$ 2,328,265	$ 8,323	$ 130,297	$ -	$ 2,915,643
Carrying value at January 1, 2013	$ 598,145	$ 48	$ 1,652,800	$ 2,916,308	$ 6,267	$ 67,012	$ 306,248	$ 5,546,828
Carrying value at March 31, 2013	$ 598,145	$ 42	$ 1,640,726	$ 2,977,571	$ 5,857	$ 69,858	$ 261,652	$ 5,553,851

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2014	$ 598,145	$ 151	$ 2,353,668	$ 5,796,667	$ 14,816	$ 225,755	$ -	$ 8,989,202
Additions	-	-	295	39,713		2,087	-	42,095
Disposals	-	-	-	(41,730)	(778)	(324)	-	(42,832)
Effect of foreign currency exchange differences	-	-	11,547	55,360	194	1,882	-	68,983
Reclassification	-	-	-	14,456	-	(14,456)	-	-
Balance at March 31, 2014	$ 598,145	$ 151	$ 2,365,510	$ 5,864,466	$ 14,232	$ 214,944	$ -	$ 9,057,448
Accumulated depreciation and impairment								
Balance at January 1, 2014	$ -	$ 128	$ 547,758	$ 2,770,267	$ 10,058	$ 152,927	$ -	$ 3,481,138
Disposals	-	-	-	(28,878)	(701)	(310)	-	(29,889)
Depreciation expenses	-	6	32,329	189,159	509	7,639	-	229,642
Effect of foreign currency exchange differences	-	-	2,465	21,460	132	1,198	-	25,255
Balance at March 31, 2014	$ -	$ 134	$ 582,552	$ 2,952,008	$ 9,998	$ 161,454	$ -	$ 3,706,146
Carrying value at January 1, 2014	$ 598,145	$ 23	$ 1,805,910	$ 3,026,400	$ 4,758	$ 72,828	$ -	$ 5,508,064
Carrying value at March 31, 2014	$ 598,145	$ 17	$ 1,782,958	$ 2,912,458	$ 4,234	$ 53,490	$ -	$ 5,351,302

The above items of property, plant and equipment were depreciated on a straight-line basis at the following rates per annum:

Land improvements	6 years
Buildings	
Industrial building	35-61 years
Electrical power systems	4-10 years
Engineering systems	1-17 years
Equipment	
Major production equipments	1-15 years
Temperature control systems	4-7 years
Transportation equipments	4-7 years
Transportation equipments	3-8 years
Office equipment	2-6 years

The major component parts of the buildings held by the Group included (plants, electro-powering machinery and engineering systems, etc.), which were depreciated over their estimated useful lives.

Refer to Note 32 for the carrying amount of property, plant and equipment that had been pledged by the group to secure borrowings/general banking facilities granted to the Group.

16. INVESTMENT PROPERTIES

	March 31, 2014	December 31, 2013	March 31, 2013
Completed investment property	$ 55,527	$ 55,693	$ 57,320

	Completed Investment Property
Cost	
Balance at January 1, 2013	$ 77,051
Transferred to property, plant and equipment	(2,309)
Effect of foreign currency exchange differences	1,880
Balance at March 31, 2013	$ 76,622
Accumulated depreciation and impairment	
Balance at January 1, 2013	$ (18,498)
Transferred to property, plant and equipment	420
Depreciation expense	(787)
Effect of foreign currency exchange differences	(437)
Balance at March 31, 2013	$ (19,302)

(Continued)

	Completed Investment Property
Cost	
Balance at January 1, 2014	$ 77,700
Effect of foreign currency exchange differences	883
Balance at March 31, 2014	$ 78,583
Accumulated depreciation and impairment	
Balance at January 1, 2014	$ (22,007)
Depreciation expense	(810)
Effect of foreign currency exchange differences	(239)
Balance at March 31, 2014	$ (23,056)

(Concluded)

The investment properties held by the Group were depreciated over their useful lives of 4-61 years, using the straight-line method.

The fair value of the Group's investment properties as of March 31, 3014, December 31, 2013 and March 31, 2013 was $132,092 thousand, $131,588 thousand and $92,847 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers; however, management of the Group used the valuation model that market participants would use in determining the fair value the valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings/general banking facilities granted to the Group were reflected in Note 32.

17. PREPAYMENTS FOR LEASE

	March 31, 2014	December 31, 2013	March 31, 2013
Current asset (included in prepaid rent line item)	$ 2,571	$ 2,538	$ 2,497
Non-current asset	116,097	115,225	115,252
	$ 118,668	$ 117,763	$ 117,749

As of March 31, 2104, December 31, 2013 and March 1, 2013, prepaid lease payments include land use right, which are located in Mainland China.

The carrying amount of the land use right certificates that had been pledged by the Group to secure borrowings/general banking facilities granted to the Group were reflected in Note 32.

18. OTHER ASSETS

	March 31, 2014	December 31, 2013	March 31, 2013
Current portion			
Prepaid expenses	$ 9,142	$ 8,421	$ 13,045
Overpaid sales tax	73,160	76,703	65,447
Others	14,165	12,251	21,394
	$ 96,467	$ 97,375	$ 99,886
Noncurrent portion			
Long-term prepayments	$ 42,824	$ 48,126	$ 46,833

19. BORROWINGS

a. Short-term borrowings

	March 31, 2014	December 31, 2013	March 31, 2013
Secured borrowings (Note 32)			
Bank loans (1)	$ 160,953	$ 153,000	$ 40,272
Unsecured borrowings			
Line of credit borrowings (2)	654,896	461,770	300,848
Letters of credit (3)	77,806	92,498	135,137
	732,702	554,268	435,985
	$ 893,655	$ 707,268	$ 476,257

1) The short-term secured borrowings interest rate at March 31, 2014, December 31, 2013 and March 31, 2013 on the bank loans was 3.033%-3.296%, 2.138%-2.737% and 1.287%-1.296% per annum.

2) The weighted average effective interest rate at March 31, 2014, December 31, 2013 and March 31, 2013 on the bank loans was 1.21%-2.342%, 1.1%-2.342% and 1.08%-1.839% per annum.

3) The letters of credit interest rate at March 31, 2014, December 31, 2013 and March 31, 2013 on the bank loans was 0.955%-0.967%, 0.96%-1.903% and 0.96%-1.19% annum.

b. Long-term borrowings

	March 31, 2014	December 31, 2013	March 31, 2013
Secured borrowings (Note 32)			
Bank loans (1)	$ 637,500	$ 737,500	$ 1,370,125

(Continued)

	March 31, 2014	December 31, 2013	March 31, 2013
Unsecured borrowings			
Bank loans	$ 641,410	$ 639,415	$ 524,388
Less: Current portion	(491,410)	(489,415)	(557,013)
Long-term borrowings: Non-current	$ 787,500	$ 887,500	$ 1,337,500

(Concluded)

The weighted average effective rate of the bank borrowings secured by the Group's freehold land and building (see Note 32) the Maturity day was July 24, 2013 and October 13, 2016, at March 31, 2014, December 31, 2013 and March 31, 2013 was 1.2%-1.255% per annum, 1.1%-1.836% per annum and 1.194%-1.25% per annum, respectively.

The borrowings of the Group were as follows:

	Maturity Date	March 31, 2013	December 31, 2012	March 31, 2012
Floating rate borrowings				
Secured bank borrowing denominated in NT$	2013.07.24	$ -	$ -	$ 29,125
Secured bank borrowing denominated in NT$	2013.07.24	-	-	3,500
Secured bank borrowing denominated in NT$	2016.08.17	175,000	212,500	525,000
Secured bank borrowing denominated in NT$	2016.10.13	243,750	275,000	468,750
Secured bank borrowing denominated in NT$	2015.10.28	218,750	250,000	343,750
Unsecured bank borrowing denominated in NT$	2014.08.20	-	-	-
Unsecured bank borrowing denominated in NT$	2014.06.15	-	-	-
Unsecured bank borrowing denominated in NT$	2015.01.15	-	-	200,000
Unsecured bank borrowing denominated in NT$	2015.01.15	200,000	200,000	200,000
Unsecured bank borrowing denominated in NT$	2015.09.06	150,000	150,000	-
Unsecured bank borrowing denominated in NT$	2015.11.06	200,000	200,000	-
Unsecured bank borrowing denominated in US$	2016.02.27	60,940	59,610	60,309
Unsecured bank borrowing denominated in US$	2016.02.27	30,470	29,805	30,155
Unsecured bank borrowing denominated in US$	2013.12.19	-	-	33,924
Less: Current portion		(491,410)	(489,415)	(557,013)
		$ 787,500	$ 887,500	$ 1,337,500

20. BONDS PAYABLE

	March 31, 2014	December 31, 2013	March 31, 2013
Unsecured domestic bonds	$ 769,480	$ 765,337	$ 752,675
Less: Current portion	-	-	-
	$ 769,480	$ 765,337	$ 752,675

On January 25, 2013, the Corporation issued forth unsecured domestic convertible bonds with an aggregate value of $800,000 thousand to pay off borrowings and purchase equipment.

Other details of the bond issuance are summarized as follows:

a. Issue date: January 25, 2013.

b. Total issue amount: $800,000 thousand.

c. Issue price: 100%.

d. Par value: $100 thousand.

e. Coupon rate: 0%.

f. Repayment term: The bonds are repayable on January 25, 2016 upon the maturity of the bonds.

g. Conversion right: Holder can request for conversion of the bonds to the Corporation's common stock.

h. Conversion period: From February 26, 2013 to January 15, 2016.

i. Conversion price: The original conversion price per share is $46.5. The conversion price is subject to adjustment based on a certain formula if there are changes in outstanding shares or execution of conversion below market price.

j. Redemption of bonds

  1) Redemption on the maturity date: On the maturity date, the Corporation will redeem the bonds of the principal amounts.

  2) Early redemption on the maturity date:

    a) During the period of time between one month after issuance and the 40th day before maturity, if the closing price of the Corporation's shares reaches 30% of the conversion price for 30 consecutive trading days, the Corporation may redeem the remaining bonds at a price of their book value.

    b) During the period of time between one month after issuance and the 40th day before maturity, when over 90% of the bonds had been redeemed, bought back or converted, the Corporation may redeem the remaining bonds at a price of their book value.

k. Converted bond: As of March 31, 2014, there is no bonds had been converted into common stocks.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 1.5% per annum on initial recognition.

Proceeds from issue	$ 800,000
Liability component at the date of issue	(5,001)
Embedded derivatives (less transaction costs allocated to the financial liabilities of $2 thousand)	318
Equity component (less transaction costs allocated to the equity component of $288 thousand)	(45,632)
Bonds converted into common stock	-
Interest expenses calculated by effective interest rate	19,795
Liability component at March 31, 2014	$ 769,480

Movements of the conversion option derivative instrument in the current period were as follows:

	The Conversion Option Derivative Instrument
Issued date	$ 318
Fair value changes loss	(318)
Balance at March 31, 2014	$ -

21. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2014	December 31, 2013	March 31, 2013
Notes payable			
Notes payable - operating	$ -	$ -	$ -
Trade payables			
Trade payables - operating	$ 1,106,073	$ 886,627	$ 1,457,562

The average credit period on purchases of certain goods was 2-3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	March 31, 2014	December 31, 2013	March 31, 2013
Other payables			
Bonus to employees, directors and supervisors	$ 145,817	$ 117,831	$ 171,148
Commission	78,339	69,842	80,465
Salaries	69,505	67,397	72,664
Bonus	53,542	193,454	55,533
Payables for annual leave	19,584	21,186	18,997
Others	99,559	125,249	82,380
	$ 466,346	$ 594,959	$ 481,187
Other liabilities			
Construction receipt payable	$ 10,929	$ 16,442	$ 11,163
Deposits received	4,125	4,259	10,365
Others	25,083	26,267	27,166
	$ 40,137	$ 46,968	$ 48,694
Non-current			
Guarantee deposits received (Note 28)	$ 31,237	$ 29,418	$ 28,986

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses for the three months ended March 31, 2014 and 2013 were included in the following line items:

	2014	2013
Operating cost	$ 1,237	$ 869
Marketing expenses	$ 495	$ 229
Administration expenses	$ 333	$ 318
Research and development expenses	$ 525	$ 342

24. EQUITY

a. Capital stock

Ordinary shares

	March 31, 2014	December 31, 2013	March 31, 2013
Numbers of shares authorized (in thousands)	500,000	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	309,757	309,757	309,757
Shares issued	$ 3,097,570	$ 3,097,570	$ 3,097,570

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

50,000 thousand shares and 20,000 thousand shares of the Company's shares authorized were reserved for the issuance of convertible bonds and employee share options.

As of December 31, 2012, exercised stock options in the amount of $24,460 thousand and convertible bonds in the amount of $50,687 thousand have not been registered; therefore, they are classified into advance receipts for common stock - certificates on bond-to-stock conversion, which had been approved by the Commerce Industrial Services Portal Ministry of Economic Affairs, R.O.C.

b. Capital surplus

A reconciliation of the carrying amount at the beginning and at the end of three months ended 2013, for each class of capital surplus was as follows:

	Share Premium	Bonds Conversion Premium	Employee Share Options	Share Warrants	Total
Balance at January 1, 2013	$ 325,830	$ 977,028	$ 285,946	$ 27,745	$ 1,616,549
Recognition of option premium on issue of convertible bonds	-	45,632	-	-	45,632
Balance at March 31, 2013	$ 325,830	$ 1,022,660	$ 285,946	$ 27,745	$ 1,662,181

The carrying amount at the beginning and at the end of three months ended 2014 was no change for each class of capital surplus.

The premium from shares issued in excess of par (share premium from issuance of common shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from long-term investments, employee share options and share warrants may not be used for any purpose.

c. Retained earnings and dividend policy

Appropriation of earnings and dividend policy

Under the Corporation's Articles of Incorporation, the Corporation should appropriate 10% of its net income less any prior years' deficit as legal reserve. The remaining amount may be fully retained or partially retained and partially distributed for dividends, upon the stockholders' approval, according to the following percentages.

1) Employee bonus - not less than 3%

2) Directors and supervisors' remuneration - not more than 2%

3) Stock bonuses to employees include subsidiaries' employees who meet certain criteria set by the stockholders' meetings.

Dividends are recommended by the board of directors in accordance with the Corporation's dividend policy. Under this policy, industry trend and growth should be evaluated, investment opportunities should be fully understood, and proper capital adequacy ratios should be considered in determining the dividend to be distributed. In addition, cash dividends should not be less than 20% of the total dividends to be appropriated.

For the three months ended March 31, 2014 and 2013, the bonus to employees was $23,988 thousand and $22,619 thousand, respectively, and the remuneration to directors and supervisors was $3,998 thousand and $3,770 thousand, respectively. The bonus to employees and remuneration to directors and supervisors represented 12% and 2%, respectively, of net income (net of the bonus and remuneration). Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the stockholders' meeting.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC on April 6, 2012 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items. The Company also appropriates and reverses a special reserve in accordance with Rule No. 1030006415 issued by the FSC.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's capital surplus. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's capital surplus, the excess may be transferred to capital or distributed in cash.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2013 and 2012 had been approved in the shareholders' meetings on May 5, 2014 and June 19, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	
	For Fiscal Year 2013	**For Fiscal Year 2012**
Legal reserve	$ 93,516	$ 114,889
Cash dividends	619,514	681,465

The bonus to employees and the remuneration to directors and supervisors for 2013 and 2012 approved in the shareholders' meetings on May 5, 2014 and June 19, 2013, respectively, were as follows:

	For the Year Ended 2013		**For the Year Ended 2012**	
	Cash Dividends	**Stock Dividends**	**Cash Dividends**	**Stock Dividends**
Bonus to employees	$ 100,998	$ -	$ 124,079	$ -
Remuneration of directors and supervisors	16,833	-	20,680	-

There were no differences between the approved amounts of the bonus to employees and the remuneration to directors and supervisors were primarily due to changes in estimates had been adjusted in profit and loss for the three months ended March 31, 2014.

Information on the bonus to employees, directors and supervisors proposed by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserves appropriated following first-time adoption of IFRSs

The Company's special reserves appropriated following first-time adoption of IFRSs were as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Special reserve	$ 222,793	$ 222,793	$ 222,793

The increase in retained earnings that resulted from all IFRSs adjustments was not enough for this appropriation; therefore, the Company appropriated to the special reserve an amount of $222,793 thousand, the increase in retained earnings that resulted from all IFRSs adjustments on transitions to IFRSs.

25. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Net profit (loss) from continuing operations had been arrived at after charging (crediting)

a. Other income

	For the Three Months Ended March 31	
	2014	2013
Interest income	$ 5,132	$ 3,601
Income from government grants	12,890	14,414
Others	20,354	4,578
	$ 38,376	$ 22,593

b. Other gains and losses

	For the Three Months Ended March 31	
	2014	2013
Loss on disposal of property, plant and equipment	$ (1,483)	$ (1,628)
Net loss arising on financial assets designated as at FVTPL	(13,793)	(17,151)
Impairment loss on financial assets	(1,936)	-
Foreign exchange gains	35,908	25,272
Other expense	(11,731)	(1,058)
	$ 6,965	$ 5,435

c. Impairment loss on financial assets

	For the Three Months Ended March 31	
	2014	2013
Available-for-sale financial assets	$ (1,936)	$ -

d. Finance costs

	For the Three Months Ended March 31	
	2014	2013
Interest on bank loans	$ (7,288)	$ (7,129)
Interest on convertible bonds	(4,143)	(2,990)
	$ (11,431)	$ (10,119)

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2014	2013
Property, plant and equipment	$ 229,642	$ 208,791
Investment property	810	787
Others	6,492	6,637
	$ 236,944	$ 216,215
An analysis of deprecation by function		
Operating costs	$ 207,490	$ 182,538
Operating expenses	22,962	27,040
	$ 230,452	$ 209,578
An analysis of amortization by function		
Operating costs	$ 2,886	$ 2,500
Operating expenses	3,606	4,137
	$ 6,492	$ 6,637

f. Employee benefits expense

	For the Three Months Ended March 31	
	2014	2013
Post-employment benefits (see Note 23)		
Defined contribution plans	$ 12,782	$ 10,780
Defined benefit plans	2,590	1,758
	15,372	12,538
Other employee benefits	317,939	323,556
	$ 333,311	$ 336,094

(Continued)

	For the Three Months Ended March 31	
	2014	2013
An analysis of employee benefits expense by function		
Operating costs	$ 192,613	$ 184,737
Operating expenses	140,698	151,357
	$ 333,311	$ 336,094

(Concluded)

g. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2014	2013
Foreign exchange gains	$ 80,449	$ 142,447
Foreign exchange losses	(44,541)	(117,175)
	$ 35,908	$ 25,272

h. Impairment losses on non-financial assets

	For the Three Months Ended March 31	
	2014	2013
Inventories (included in operating costs)	$ (3,487)	$ (1,002)

26. INCOME TAXES RELATING TO CONTINUING

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2014	2013
Current tax		
In respect of the current period	$ 24,362	$ 18,953
Deferred tax		
In respect of the current period	6,574	10,485
Income tax expense recognized in profit or loss	$ 30,936	$ 29,438

On April 9, 2014, the Ministry of Finance promulgated the amendments to the Assessment Rules Governing Income Tax Returns of Profit-Seeking Enterprises, the Tax Ruling No. 10304540780, and the amendments apply to the filing of income tax returns for 2013 onwards. The applications of such amendments were not expected to have significant effect on current and deferred tax assets and liabilities.

b. Integrated income tax

	March 31, 2014	December 31, 2013	March 31, 2013
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1997	$ -	$ -	$ -
Unappropriated earnings generated on and after January 1, 1998	2,624,767	2,402,655	2,480,014
	$ 2,624,767	$ 2,402,655	$ 2,480,014
Imputation credits accounts	$ 90,043	$ 90,043	$ 67,545

The creditable ratio for distribution of earnings of 2013 and 2012 was 6.11% (predict) and 5.57%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs

c. Income tax assessments

The tax returns through 2008 and 2011, had been assessed by the tax authorities.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2014	2013
Profit for the period attributable to owners of the Company	$ 222,112	$ 209,434
Effect of dilutive potential ordinary shares:		
Convertible bonds	3,439	2,481
Bonus issue to employee	-	-
Earnings used in the computation of diluted earnings per share	$ 225,551	$ 211,915

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended March 31	
	2014	2013
Weighted average number of ordinary shares in computation of basic earnings per share	309,757	309,757
Effect of dilutive potential ordinary shares:		
Convertible bonds	17,204	16,260
Employee share option	-	-
Bonus issue to employee	3,071	3,271
Weighted average number of ordinary shares used in the computation of diluted earnings per share	330,032	329,288

If the Group was able to settle the bonuses paid to employees by cash or shares, the Group presumed that the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the shares had a dilutive effect. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

28. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Operating leases relate to leases of warehouse in trade zone with lease terms 3 years. All operating lease contracts contain clauses for 3-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased land at the expiry of the lease periods.

As of March 31, 2014, December 31, 2013 and March 31, 2013, refundable deposits paid under operating lease all amounted to $727 thousand, $727 thousand, $776 thousand, respectively.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Not later than 1 year	$ 2,908	$ 2,909	$ 2,925
Later than 1 year and not later than 5 years	3,637	4,364	6,546
Later than 5 years	-	-	-
	$ 6,545	$ 7,273	$ 9,471

b. The Group as lessor

Operating leases relate to the investment property owned by the Group with lease terms between 1 to 2 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

As of March 31, 2014, December 31, 2013 and March 31, 2012, deposits received under operating leases amounted to $614 thousand, $609 thousand and $603 thousand, respectively.

The future minimum lease payments of non-cancellable operating lease were as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Not later than 1 year	$ 1,892	$ 2,525	$ 5,949
Later than 1 year and not later than 5 years	-	210	1,751
Later than 5 years	-	-	-
	$ 1,892	$ 2,735	$ 7,700

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity.

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

The management consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

2) Fair value measurements recognized in the balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	$ -	$ 569,477	$ -	$ 569,477
Mutual funds	396,551	-	-	396,551
	$ 396,551	$ 569,477	$ -	$ 966,028
Available-for-sale financial assets				
Securities unlisted in ROC				
Equity securities	$ -	$ -	$ 44,510	$ 44,510
Mutual funds	118,220	-	-	118,220
	$ 118,220	$ -	$ 44,510	$ 162,730
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 25,274	$ -	$ 25,274

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL structured deposits				
Mutual funds	$ 444,947	$ -	$ -	$ 444,947
Forward exchange contracts	-	860	-	860
	$ 444,947	$ 860	$ -	$ 445,807
Available-for-sale financial assets				
Securities unlisted in ROC				
Equity securities	$ -	$ -	$ 44,510	$ 44,510
Mutual funds	49,414	-	-	49,414
	$ 49,414	$ -	$ 44,510	$ 93,924
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 17,329	$ -	$ 17,329

March 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	$ -	$ 144,989	$ -	$ 144,989
Mutual funds	-	80	-	80
	$ -	$ 145,069	$ -	$ 145,069

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities unlisted in ROC				
Equity securities	$ -	$ -	$ 54,997	$ 54,997
Mutual funds	136,150	-	-	136,150
	$ 136,150	$ -	$ 54,997	$ 191,147
Financial liabilities at FVTPL				
Forward exchange contracts	$ -	$ 17,592	$ -	$ 17,592

(Concluded)

There were no transfers between Levels 1 and 2 between January 1 to March 31, 2013 to 2014.

3) Reconciliation of Level 3 fair value measurements of financial assets

March 31, 2014

	Available-for-sale Financial Assets
	Unlisted Shares
Balance at January 1, 2014	$ 44,510
Net translation differences	-
Balance at March 31, 2014	$ 44,510

March 31, 2013

	Available-for-sale Financial Assets
	Unlisted Shares
Balance at January 1, 2013	$ 54,997
Net translation differences	-
Balance at March 31, 2013	$ 54,997

4) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices (includes listed redeemable bonds, bills of exchange, corporate bonds and perpetual notes). Where such prices were not available, valuation techniques were applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument;

b) The fair values of derivative instruments were calculated using quoted prices. Where such prices were not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group were consistent with those that market participants would use in setting a price for the financial instrument.

b. Categories of financial instruments

	March 31, 2013	December 31, 2012	March 31, 2012
Financial assets			
Fair value through profit or loss (FVTPL) (1)	$ 966,028	$ 445,807	$ 145,069
Loans and receivables (2)	4,489,074	4,606,669	5,115,622
Held-to-maturity investments (3)	47,840	47,840	47,840
Available-for-sale financial assets (4)	162,730	93,924	191,147
Financial assets measured at cost	198,245	198,245	198,245
Financial liabilities			
Fair value through profit or loss (FVTPL) (1)	25,274	17,329	17,592
Amortized cost (5)	4,516,323	4,332,310	5,063,131

1) The balances included the carrying amount of structured deposits, forward exchange contracts, bond investment and convertible bonds - redemption.

2) The balances included loans and receivables measured at amortized cost, which comprise (cash and cash equivalents, notes receivables, trade and other receivables, other financial assets, and refundable deposits.

3) The balances included the carrying amount of financial bond investment.

4) The balances included the carrying amount of available-for-sale shares and mutual funds.

5) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, notes, payable, trade and other payables, and bonds issued.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, bonds payable, borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reported quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including: Forward foreign exchange contracts to hedge the exchange rate risk arising on the Group's foreign currency monetary.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period (see Note 35).

Sensitivity analysis

The Group was mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. The sensitivity analysis included external loans/borrowings as well as loans/borrowings to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in pre-tax/post-tax profit and other equity associated with New Taiwan dollars strengthen 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on post-tax profit and other equity and the balances below would be negative.

	USD Impact		**JPY Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2014	**2013**	**2014**	**2013**
Profit or loss	$ 15,561	$ 19,932 (i)	$ (2,578)	$ (2,068) (ii)

i. This was mainly attributable to the exposure outstanding on USD receivables and payables, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure to outstanding JPY payables, which were not hedged, at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because the Group's bank deposits and the Group borrowed funds at floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	March 31, 2014	December 31, 2013	March 31, 2013
Fair value interest rate risk			
Financial assets	$ 1,092,797	$ 776,877	$ 1,158,748
Financial liabilities	769,480	765,337	752,675
Cash flow interest rate risk			
Financial assets	715,677	1,055,240	958,766
Financial liabilities	2,172,565	2,084,183	2,370,770

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2014 would decrease/increase by $911 thousand, which was mainly attributable to the Group's exposure to interest rates on its floating rate bank deposits and bank borrowings.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from:

The carrying amount of the respective recognized financial assets as stated in the balance sheets.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2014

	Weighted Interest Average Effective Rate (%)	**Less Than 1 Year**	**2-3 Years**	**4-5 Years**	**5+ Years**	**Total**
Non-derivative financial liabilities						
Accounts payable	-	$ 1,106,157	$ -	$ -	$ -	$ 1,106,157
Other payables	-	468,121	-	-	-	468,121
Other current liabilities	-	40,137	-	-	-	40,137
Bonds payable	-	-	769,480	-	-	769,480
Variable interest rate (liabilities)	0.955-3.296	1,385,065	787,500	-	-	2,172,565
Guarantee deposits received	-	-	31,237	-	-	31,237

December 31, 2013

	Weighted Interest Average Effective Rate (%)	**Less Than 1 Year**	**2-3 Years**	**4-5 Years**	**5+ Years**	**Total**
Non-derivative financial liabilities						
Accounts payable	-	$ 886,804	$ -	$ -	$ -	$ 886,804
Other payables	-	595,986	-	-	-	595,986
Other current liabilities	-	46,968	-	-	-	46,968
Bonds payable	-	-	765,337	-	-	765,337
Variable interest rate (liabilities)	0.96-2.737	1,196,683	862,500	25,000	-	2,084,183
Guarantee deposits received	-	-	29,418	-		29,418

March 31, 2013

	Weighted Interest Average Effective Rate (%)	**Less Than 1 Year**	**2-3 Years**	**4-5 Years**	**5+ Years**	**Total**
Non-derivative financial liabilities						
Accounts payable	-	$ 1,457,905	$ -	$ -	$ -	$ 1,457,905
Other payables	-	481,781	-	-	-	481,781
Other current liabilities	-	48,694	-	-	-	48,694
Bonds payable		-	752,675	-	-	752,675
Variable interest rate (liabilities)	0.96-1.839	1,033,270	418,750	918,750	-	2,370,770
Guarantee deposits received	-	-	28,986	-	-	28,986

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

March 31, 2014

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (4,613)	$ (14,924)	$ (5,737)	$ -	$ -

December 31, 2013

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (10,708)	$ (6,621)	$ -	$ -	$ -

March 31, 2013

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (11,529)	$ (5,505)	$ (558)	$ -	$ -

b) Financing facilities

	March 31, 2014	December 31, 2013	March 31, 2013
Unsecured bank overdraft facility, reviewed annually and payable at call:			
Amount used	$ 1,332,817	$ 1,060,625	$ 1,027,142
Amount unused	3,390,763	3,348,705	3,489,515
	$ 4,723,580	$ 4,409,330	$ 4,516,657
Secured bank overdraft facility:			
Amount used	$ 1,913,090	$ 1,901,817	$ 1,901,272
Amount unused	296,310	294,283	261,275
	$ 2,209,400	$ 2,196,100	$ 2,162,547

31. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The related parties were as follows:

Related Party	Relationship with the Corporation
Tai-Shing Electronics Components Corporation (Tai-Shing)	Others (chairman is the Corporation's general manager)
TSE Technology (Ningbo) Co., Ltd. (TSE Technology)	Associates

Trading Transactions

	For the Three Months Ended March 31	
	2014	2013
Sales of goods		
Others	$ 12,863	$ 10,768
Purchase of goods		
Associates	$ 158	$ 207
Others	1	3
	$ 159	$ 210
Operating expenses		
Others	$ 110	$ 120
Commission revenue		
Associates	$ 420	$ 399

Selling prices to related parties were similar to those for third parties.

Rental Revenue

			For the Three Months Ended March 31			
			2014		2013	
Related Party	Location	Rent Collection	Amount	% to Total Account Balance	Amount	% to Total Account Balance
TSE Technology (Ning bo) Co., Ltd. (TSE Technology)	1F., No. 189, Huangshan W. Rd., Beilun Dist., Ningbo City	Based on contract, and paid on a monthly basis	$ 891	-	$ 845	-

Receivable from and Payable to Related Parties

	March 31, 2014	December 31, 2013	March 31, 2013
Accounts receivable from related parties			
Others	$ 13,506	$ 9,473	$ 13,876
Less: Allowance for impairment loss	(115)	(57)	(111)
	$ 13,391	$ 9,416	$ 13,765
Account payable to related parties			
Associates	$ 160	$ 31	$ 248
Others	84	146	95
	$ 244	$ 177	$ 343
Other receivables from related parties			
Associates	$ 887	$ 704	$ 566
Other payable from related parties			
Others	$ 1,615	$ 1,027	$ 594

Term of purchases from related parties were similar to those for third parties.

Acquisition of Property, Plant and Equipment

	Acquisition Amounts For the Three Months Ended March 31	
	2014	2013
Others	$ 42	$ 83

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel for the three months ended March 31, 2014 and 2013 were as follows:

	For the Three Months Ended March 31	
	2014	2013
Short-term benefits	$ 17,898	$ 18,478
Post-employment benefits	502	533
	$ 18,400	$ 19,011

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the tariff of imported raw materials guarantees or the deposit for hiring foreign workers:

	March 31, 2014	December 31, 2013	March 31, 2013
Land	$ 573,770	$ 573,770	$ 573,770
Building equipment, net	1,412,241	1,434,829	1,492,696
Investment property	48,961	49,091	50,565
Prepaid rental	15,692	15,592	20,320
	$ 2,050,664	$ 2,073,282	$ 2,137,351

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

Unused letters of credit amounted to approximately JPY181,829 thousand.

As of March 31, 2013, the Company unrecognized commitments are as follows:

	Contract Amount	Paid Amount	Unpaid Amount
Acquisition of equipment	$ 24,292	$ 15,104	$ 9,188
Acquisition of equipment	EUR 1,264	EUR 190	EUR 1,074

34. SIGNIFICANT EVENTS AFTER REPORTING PERIOD: NONE

35. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

March 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 89,970	30.47 (USD:NTD)	$ 2,741,386
USD	24,464	6.1521 (USD:RMB)	745,418
JPY	163,991	0.296 (JPY:NTD)	48,541

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 33,087	30.47 (USD:NTD)	$ 1,008,161
USD	30,278	6.1521 (USD:RMB)	922,570
JPY	979,151	0.296 (JPY:NTD)	289,829
JPY	55,931	0.0598 (JPY:RMB)	16,556

(Concluded)

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 90,497	29.805 (USD:NTD)	$ 2,697,263
USD	31,199	6.0969 (USD:RMB)	929,886
JPY	638,683	0.2839 (JPY:NTD)	181,322
Financial liabilities			
Monetary items			
USD	7,743	29.805 (USD:NTD)	230,780
USD	21,430	6.0969 (USD:RMB)	638,721
JPY	1,135,388	0.2839 (JPY:NTD)	322,337
JPY	71,367	0.0581 (JPY:RMB)	20,261

March 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 100,644	29.875 (USD:NTD)	$ 3,006,740
USD	31,057	6.2689 (USD:RMB)	927,828
JPY	548,315	0.3176 (JPY:NTD)	174,145
Financial liabilities			
Monetary items			
USD	41,669	29.875 (USD:NTD)	1,244,861
USD	23,313	6.2689 (USD:RMB)	696,476
JPY	1,105,537	0.3176 (JPY:NTD)	351,119
JPY	94,087	0.0665 (JPY:RMB)	29,882

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Lending funds to others.

2) Providing endorsements or guarantees for others.

3) Holding of securities at the end of the period.

4) Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more.

5) Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more.

6) Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more.

7) Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more.

8) Trade receivables from related parties reaching NT$100 million or 20 percent of paid-in capital or more.

9) Trading in derivative instruments.

10) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them.

11) Information on investees

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

37. SEGMENT INFORMATION

	Segment Revenue		Segment Profit	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2014	2013	2014	2013
Crystal	$ 2,099,794	$ 2,291,022	$ 220,295	$ 248,749
Others	65,738	35,958	(6,139)	(28,880)
	$ 2,165,532	$ 2,326,980	214,156	219,869
Investment income share of profits of associates accounted for using the equity method			4,982	1,094
Interest income			5,132	3,601
Loss on disposal of property, plant and equipment			(1,483)	(1,628)
Exchange gain			35,908	25,272
Valuation loss on financial instruments			(13,793)	(17,151)
Financial costs			(11,431)	(10,119)
Others			19,577	17,934
Profit before tax (continuing operations)			$ 253,048	$ 238,872

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the three months ended March 31, 2014 and 2013.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gain or loss on disposal of financial instruments, exchange gain or loss, valuation gain or loss on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TXC CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2014
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	March 31, 2014				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
TXC Corporation	Mutual fund							
	Shin Kong Cross Strait Selective Fund	None	Available-for-sale financial assets	2,691	$ 27,282	-	$ 27,282	
	Shin Kong China Growth Fund	〃	〃	2,177	21,858	-	21,858	
	Fuh Hwa RMB Money Market Fund	〃	〃	984	49,329		49,329	
	Cathay Taiwan Money Market Fund	〃	〃	399	19,751		19,751	
					$ 118,220		$ 118,220	
	Stock - emerging company							
	Win Win Precision Technology Co., Ltd.	None	Available-for-sale financial assets - noncurrent	1,300	$ 44,510	3	$ 44,510	
	Stock - unlisted company							
	Marson Technology Co., Ltd.	None	Financial assets carried at cost	414	$ 3,000	5	None	
	Guandong Failong Crystal Technology Co., Ltd.	〃	〃	RMB 10,096	46,478	8	〃	
	UPI Semiconductor Corp.	Chairman is a direct of the Company	〃	2,000	98,000	2	〃	
	Si-Time Corporation	〃	〃	1,750	50,767	1	〃	
					$ 198,245			
	Financial bonds							
	Chinatrust unsecured priority financial bond	None	Held-to-maturity financial assets - noncurrent	RMB 10,000	$ 47,840	-	$ 47,840	
NGB	Stock - unlisted company							
	TSE Technology Co.	Subsidiary	Investment accounted for by the equity method	RMB 10,064	$ 67,546	23	None	
	Mutual fund							
	China GuangFa Money Market Fund	None	Financial instruments at FVTPL - current	RMB 27,240	$ 134,915	-	$ 134,915	
	China Merchants Money Market Fund	〃	〃	RMB 3,018	14,946	-	14,946	
	Southern Cash Fund	〃	〃	RMB 31,039	153,729	-	153,729	
					$ 303,590		$ 303,590	
	Structure deposits	〃	〃	RMB 80,981	$ 401,082	-	$ 401,082	

(Continued)

Holding Company	Marketable Securities Type and Issuer/Name	Security Issuer's Relationship with the Holding Company	Financial Statement Account	March 31, 2014				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
TXC (Chongqing) Limited	Mutual fund							
	E Fund Money Market Fund	None	Financial instruments at FVTPL - current	RMB 17,367	$ 86,014	-	$ 86,014	
	Structure deposits	〃	〃	RMB 8,000	$ 39,622	-	$ 39,622	
Ningbo Jingyu Company Limited	Mutual fund							
	Southern Cash Fund	None	Financial instruments at FVTPL - current	RMB 1,403	$ 6,947	-	$ 6,947	
Chongqing All Suns Company Limited	Structure deposits	None	Financial instruments at FVTPL - current	RMB 21,000	$ 104,009	-	$ 104,009	
Growing Profits Trading Ltd.	Structure deposits	None	Financial instruments at FVTPL - current	RMB 5,000	$ 24,764	-	$ 24,764	

(Concluded)

TABLE 2

TXC CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms (Note)	Unit Price	Payment Terms	Ending Balance	% to Total	
TXC Corporation	TXC (Ningbo) Corporation	Subsidiary	Purchase	$ 439,847	33	Note	Its trading price depends on its function within the group	Note	$ (541,828)	(46)	
TXC (Ningbo) Corporation	Growing Profit Trading Ltd.	Subsidiary	Purchase	171,613	43	〃	〃	〃	(260,643)	(39)	

Note: The terms of purchases from related parties were not significantly different from those with third parties.

TABLE 3

TXC CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2014
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationship	Balance of Accounts Receivable - Related Party	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debt
					Amount	Action Taken		
TXC (Ningbo) Corporation	TXC Corporation	Subsidiary	$ 541,828	3.27	-	-	$ 253,534	$ -
Growing Profits Trading Ltd.	TXC (Ningbo) Corporation	Subsidiary	260,643	2.65	-	-	144,609	-
TXC (Chongqing) Limited	TXC (Ningbo) Corporation	Subsidiary	129,099	1.08	-	-	96,768	-

TABLE 4

TXC CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2014			Net Income (Losses) of the Investee	Equity in the Earnings (Losses)	Note
				March 31, 2014	December 31, 2013	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
TXC Corporation	Taiwan Crystal Technology International Ltd.	WESTERN SAMOA	Investment	$ 1,390,461	$ 1,390,461	42,835	100.00	$ 4,081,984	$ 87,603	$ 84,051	Difference from upstream transactions $3,552 thousand
	TXC Technology Inc.	U.S.A.	Marketing activities	9,879	9,879	300	100.00	15,946	2,225	2,225	
	TXC Japan Corporation	Japan	Marketing activities	6,172	6,172	2	100.00	12,834	307	307	
	Taiwan Crystal Technology International (HK) Limited	Hong Kong	Investment	298,362	298,776	10,080	100.00	301,713	3,060	3,060	
Taiwan Crystal Technology International Ltd.	Growing Profit Trading Ltd.	B.V.I.	International trading	1,691	1,691	50	100.00	266,274	15,594	15,594	
	TXC (Ningbo) Corporation	Ningbo	Manufacture and sales of electronics products	1,487,211	1,487,211	45,835	100.00	3,858,749	72,009	72,009	
TXC (Ningbo) Corporation	TXC (Chongqing) Corporation	Chongqing	Manufacture and sales of electronics products	446,431	396,903	92,710	59.56	443,497	6,245	3,185	
	Chongqing All Sun Company Limited	Chongqing	Market activities	312,644	312,644	66,000	100.00	327,021	92	92	
	Ningbo Jingyu Company Limited	Ningbo	International trading	4,807	4,807	1,000	100.00	7,282	(29)	(29)	
Taiwan Crystal Technology International (HK) Limited	TXC (Chongqing) Limited	Chongqing	Manufacture and sales of electronics products	298,362	298,362	10,080	40.44	301,125	6,245	3,060	

TABLE 5

TXC CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars or U.S. Dollars)

1. Name of the investees in Mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in Mainland China:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2014 (US$ in Thousand)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2014 (US$ in Thousand)	Investee Company Net Income	Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of March 31, 2014	Accumulated Inward Remittance of Earnings as of March 31, 2014
					Outflow	Inflow						
TXC (Ningbo) Corporation	Manufacturing and sales of crystal and crystal oscillator	$ 1,487,211	Indirect investment of the Corporation in Mainland China through the Corporation's subsidiary in a third region	$ 1,427,630	$ -	$ -	$ 1,427,630	$ 72,009	100	$ 72,009	$ 3,858,749	$ 256,146
Guandong Failong Crystal Technology Co., Ltd.	Manufacturing and sales of new electronic components	580,947	Direct investment of the Corporation in Mainland China	46,478	-	-	46,478	-	8	-	46,478	-
TSE Technology (Ningbo) Co., Ltd.	Manufacturing and sales of electronic devices and hardware components	139,177	Other investment of the Corporation Mainland China	-	-	-	-	21,660	23	4,982	67,546	-
TXC (Chongqing) Corporation	Manufacturing and sales of electronic devices and hardware components	744,793	Indirect investment of the Corporation in Mainland China through the Corporation's subsidiary in a third region	298,362	-	-	298,362	6,245	100	6,245	744,622	-
Chongqing All Suns Company Limited	Real estate intermediary service, real estate management and electronic product wholesale	312,644	Other investment of the Corporation Mainland China	-	-	-	-	92	100	92	327,021	-
Ningbo Jingyu Company Limited	Purchasing and selling electronic component	4,807	Other investment of the Corporation Mainland China	-	-	-	-	(29)	100	(29)	7,282	-

Accumulated Investment in Mainland China as of March 31, 2014 (US$ in Thousand)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousand)	Upper Limit on Investment
$ 1,772,470	$ 1,832,878	$ 5,164,505

Note: The investment in Mainland China is limited to 60% of stockholders' equity or consolidated stockholders' equity whichever is higher.

TXC CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars)

1. Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss:

Company Name	Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
			Amount	%		Payment Term	Comparison with Normal Transaction	Ending Balance	%		
TXC Corporation	NGB	Purchase	$ 439,847	33	Its trading price depends on its function within the group.	Similar with third parties	Its trading price depends on its function within the group.	$ (541,828)	46	$ 41,653	
		Sale	40,949	2	〃	〃	〃	48,086	2	1,603	
	CKG	Purchase	70,981	5	〃	〃	〃	(71,413)	6	-	
GPT	NGB	Sale	171,613	43	〃	〃	〃	260,643	39	-	
	CKG	Sale	23,527	6	〃	〃	〃	23,682	5	-	

2. The transactions of properties and the profit or loss: None.

3. Endorsements guarantees or collateral directly or indirectly provided to the investees: None.

4. Financings directly or indirectly provided to the investees: Note.

5. Other transactions that significantly impacted current year’s profit or loss or financial position: None.

TABLE 7

TXC CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars)

For the three months ended March 31, 2014

No.	Company Name	Counterparty	Natural of Relationship (Note 1)	Intercompany Transactions			
				Accounts	Amount	Terms (Notes 1 and 2)	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	TXC Corporation	TXC Technology, Inc.	1	Other expense - consulting expense	$ 12,227	1	1
		TXC Japan Corporation	1	Sales	1,118	1	-
				Other expense - consulting expense	10,823	1	-
				Purchase	14,161	1	1
				Accounts payable	9,851	1	-
		TXC (Ningbo) Corporation	1	Sales	40,949	1	2
				Purchase	439,847	1	20
				Accounts receivable	48,086	1	-
				Accounts payable	541,828	1	4
				Other receivable	16,027	1	-
		TXC (Chongqing) Corporation	1	Sales	180	1	-
				Purchase	70,981	1	3
				Accounts receivable	489	1	-
				Accounts payable	71,413	1	1
		Growing profits Trading Ltd.		Purchase	37,097	1	2
				Accounts payable	51,041	1	-
1	TXC (Ningbo) Corporation	Growing profits Trading Ltd.	3	Purchase	171,613	3	8
				Accounts payable	260,643	3	2
		TXC (Chongqing) Corporation	3	Sales	28,880	3	1
				Purchase	34,877	3	2
				Accounts receivable	65,272	3	-
				Accounts payable	129,099	3	1
2	Growing profits Trading Ltd.	TXC (Chongqing) Corporation		Sales	23,527	3	1
				Accounts receivable	23,682	3	-

Note 1: 1. Represent the transactions from parent company to subsidiary.
3. Represent the transactions between subsidiaries.

Note 2: In 2014 and 2013, the selling price and purchasing price were not significantly different from those with third parties, except those for NGB, GPT, and TXC (HK) Limited which use cost-adjusted price according to the agreed terms.